

FOREIGN POLICY ASSOCIATION

INCORPORATED

Information Service

VOL. IV—No. 25

FEBRUARY 20, 1929

CONTENTS

	Page
The Nature of Recognition	478
Policy of Wilson Administration	478
The Soviet Government	479
Origins and Form of the Soviet Government	480
Methods of the Soviet Government	480
Attitude of the United States	481
Objections to Recognition	482
The Soviet Government and the Communist International	483
Propaganda Activities of the Communist International	484
Policy of the United States	485
Repudiation of Debts	486
Collective Negotiations	487
International Committee of Creditors	489
Capitalism vs. Communism	490

Published bi-weekly by the FOREIGN POLICY ASSOCIATION, Incorporated, 18 East 41st Street, New York, N. Y. JAMES G. McDONALD, *Chairman*; RAYMOND LESLIE BUELL, *Research Director*; WILLIAM T. STONE, *Washington Bureau*; LEWIS WEBSTER JONES, *Editor*. *Research Assistants*: E. P. MACCALLUM, VERA A. MICHELES, HELEN H. MOORHEAD, ONA K. D. RINGWOOD, AGNES S. WADDELL, M. S. WERTHEIMER. Subscription Rates: \$5.00 per year; to F. P. A. members \$3.00; single copies 25c.

The United States and Russia, Part I

By Vera A. Micheles*

M R. KELLOGG, in the course of his testimony on the Anti-War Pact before the Senate Committee on Foreign Relations in December 1928, stated that he saw no reason for making a reservation to the effect that the adherence of the Soviet Government to the pact did not constitute recognition of that government by the United States. The "adhering to a multilateral treaty that has been agreed to by other people," he said, "is never a recognition of the country." Should there be any doubt as to the situation, he added, the President, when proclaiming the pact, could declare it did not imply recognition of the Soviet Government.¹

In a note of August 31, 1928 addressed to M. Herbert, French Ambassador in Moscow, M. Litvinov, Acting People's Commissar for Foreign Affairs, took occasion

to link the pact with the question of recognition:

".....The Soviet Government believes that there should also be put among the non-pacific means that are forbidden by the covenant such means as a refusal to resume normal pacific relations between nations or breaking such relations, for acts of that character, by setting aside the pacific means which might decide differences, aggravate relations and contribute in creating an atmosphere that is conducive to the unleashing of wars."

In his annual report on the foreign policy of the Soviet Government, presented to the Central Executive Committee of the Union of Soviet Socialist Republics on December 10, 1928, M. Litvinov made a cordial reference to the assistance which President-elect Hoover had rendered the Russian people in his capacity as head of the American Relief Administration. Following an analysis of Russo-American relations, he said:

1. The transcript of the hearings was made public on December 28, 1928. Cf. *The United States Daily*, December 31, 1928, p. 9.

*With the aid of the research staff of the Foreign Policy Association. This report is to be issued in two numbers. Part II, to be published March 6, will be devoted to an examination of trade relations between the United States and Russia, the Soviet Government's position before American courts, and the effect, if any, that recognition may be expected to have on intercourse between the two countries.

"It is not recognition itself that is important —after eleven years the Soviet Union, with its sixth of the earth's surface and 150,000,000 inhabitants, has no need to ask anyone to recognize its existence."

He noted with pleasure the increase in

trade between the two countries, but added:

"It cannot, of course, be denied, that this economic cooperation suffers in large measure from the absence of a legal basis, from the absence of official relations between the two countries."

THE NATURE OF RECOGNITION

The recognition of a government *de facto* is a prerequisite to certain international relations between the parties concerned. The act of recognition usually lies within the discretion of the political department of a given State. Each government may be said to accord or withhold recognition on the basis solely of the foreign policy it is pursuing at a given time. No rules have been internationally adopted with regard to the prerequisites which a government *de facto* must possess in order to become entitled to recognition. Nevertheless, the practice of the European States after 1830 and of the United States prior to 1913 has been to consider a government established *de facto* when it had received the assent, express or tacit, of the people, and to accord recognition to such a government when it showed itself willing and able to fulfill international obligations. The right of States to inquire into the form of a new government and the methods by which it had come to power has been usually denied.

POLICY OF WILSON ADMINISTRATION

With this practice the policy of the Wilson administration in the case of Mexico, 1913, and Costa Rica, 1917, appeared to be in conflict. President Wilson first claimed that the Huerta government was not a government *de facto*,² then described Huerta as an usurper "who, after a brief attempt to play the part of constitutional President, has at last cast aside even the pretense of legal right and declared himself dictator."³ The United States, he

said, sponsored constitutional government on the American continent.

"We are the friends of constitutional government in America; we are more than its friends, we are its champions; because in no other way can our neighbors, to whom we would wish in every way to make proof of our friendship, work out their own development in peace and liberty."⁴

He suggested the methods by which a government qualified for recognition by the United States might be established in Mexico.⁵

"The government of the United States will be glad to play any part in this settlement or in its carrying out which it can play honorably and consistently with international right. It pledges itself to recognize and in every way possible and proper to assist the administration chosen and set up in Mexico, in the way and on the conditions suggested."

The United States also refused to recognize the government established by Tinoco in Costa Rica in 1917. The "legality" of the government was made a prerequisite of its recognition.

".....The desire which this government has of seeing the will of the people prevail in governmental matters in Costa Rica has forced it to the conclusion that no government except such as may be elected legally and established according to the Constitution shall be considered entitled to recognition."⁶

The Department of State declared that a revolutionary government, even when sanctioned by popular election, would still be disqualified for recognition.

"By authorization of the President you are

2. Message of August 27, 1913. 63rd Congress, 1st Session, 1913, H. Docs., Vol. II, No. 205.

3. *Messages and Documents*, Abridgement, 1913, Vol. I, p. 6. Cf. *Hopkins v. United Mexican States*, General Claims Commission, United States and Mexico, Docket No. 29, March 31, 1926, Washington, 1926, where this opinion is accepted.

4. *Messages and Documents*, Abridgement, 1913, Vol. I, p. 6.

5. Message of August 27, 1913, in which President Wilson quoted his instructions to Mr. Lind, his "personal spokesman and representative in Mexico." Cf. footnote 2.

6. Mr. Lansing, Secretary of State, to Mr. Hale, Minister to Costa Rica, February 9, 1917, *For. Rels.*, 1917, p. 307.

instructed to inform Tinoco that even if he is elected he will not be given recognition by the United States."⁷

It next suggested the establishment in

Costa Rica of a new government, to be based on principles specified by the United States, and the elimination of Tinoco from candidacy for the Presidency.⁸

THE SOVIET GOVERNMENT

The non-recognition of the Soviet Government by the United States involved more far-reaching consequences than the non-recognition of the Huerta and Tinoco governments. The revolution of November 1917 in Russia brought forth a government which, in form and methods, offered as striking a contrast to accepted political institutions as did the French Republic in 1792, and exerted a comparably profound influence abroad. It renewed the controversy as to the form a government must possess, and the methods it must employ, to become entitled to recognition. The Soviet Government introduced new forms and methods not only into the political, but into the economic sphere as well, and raised the question of the possibility of the coexistence of the communistic and capitalistic systems. Further, the repudiation by the Soviet Government of the international obligations of preceding governments was considered contrary to the accepted principles of international law.⁹

The vastness of the territory which that government controls, and the political, economic and intellectual importance of Russia to the world, made intercourse between the Soviet Government and the gov-

ernments of other States an issue of the highest consequence. By 1926 twenty-two States had accorded recognition to the Soviet Government, largely on grounds of expediency.¹⁰ The United States is the only great power to withhold recognition today.

Considerations of a political and economic nature may be said to have determined the policy of the United States with regard to the Soviet Government. The United States has criticized the methods of the Soviet Government, both in internal and external affairs, and has specifically demanded the cessation of propaganda as a prerequisite, not only to recognition, but even to negotiations.¹¹ It has claimed that recognition of Russia's debts by the Soviet Government and the restoration by it of the confiscated property of American citizens must be effected as "evidence of good faith," and require "no conference or negotiations."¹² At the same time the Government of the United States has placed no obstacles in the way of trade and communication between the citizens of the two countries. It views with disfavor, however, the flotation of loans in the United States by the Soviet Government, and the employment of American credit for the purpose of making an advance to that govern-

7. Mr. Lansing to Mr. Hale, February 17, 1917, *Ibid.*, p. 308.

8. Mr. Lansing to Mr. Johnson, Chargé d'Affaires, June 9, 1917, *Ibid.*, p. 326-327. It may be noted that the Central American republics themselves have attempted to check the frequency of revolutions in that region by means of the treaties of 1907 and 1923. The convention accompanying the general treaty of 1907 provided for the non-recognition by the contracting parties of "any other government which may come into power in any of the five republics as a consequence of a *coup d'état*, or of a revolution against the recognized government, so long as the freely elected representatives of the people thereof have not constitutionally reorganized the country." The treaty of 1923 further provided that, even should the freely elected representatives of the people constitutionally reorganize the country, the contracting parties were not to acknowledge the recognition if any of the persons elected as President, Vice-President or Chief of State had led the revolution, had participated in it, or was related in any way to the leader or leaders of the revolution. The United States, in fact, carries out the provisions of these treaties in Central America at the present time.

9. According to international law, the State is a continuing entity, for whose contractual obligations successive governments are responsible. *Claim of Dreyfus Bros. & Co. Franco-Chilean Tribunal of Arbitration, Lausanne, 1901. Descamps and Renault, Recueil des Traités du XX Siècle, 1901.*

10. Afghanistan, treaty, Feb. 28, 1921; Austria, treaty, May 31, 1924; China, treaty, May 31, 1924; Denmark, note, June 18, 1924; Estonia, treaty, Feb. 2, 1920; Finland, treaty, Oct. 14, 1920; France, note, Oct. 28, 1924; Germany, treaty, April 16, 1922; Great Britain, note, Feb. 1, 1924 (diplomatic relations broken off in 1927); Greece, note, March 8, 1924; Italy, note, Feb. 7, 1924; Japan, convention, Jan. 20, 1925; Latvia, treaty, Aug. 11, 1920; Lithuania, treaty, July 12, 1920; Mexico, note, Aug. 4, 1924; Mongolia, treaty, Nov. 15, 1921; Norway, note, Feb. 15, 1924; Persia, treaty, Feb. 26, 1921; Poland, treaty, March 18, 1921; Sweden, note, March 15, 1924; Turkey, treaty, March 16, 1921; Uruguay, Aug. 24, 1926. Czechoslovakia accorded "recognition *de facto*" by the preliminary agreement of June 5, 1922.

11. Statement of Mr. Hughes, Secretary of State, December 18, 1923, in answer to M. Chicherin's telegram of December 16, 1923, suggesting the renewal of relations between the two countries. Cong. Record, 68th Congress, 1st Session, Vol. 65, Part I, December 20, 1923, p. 451.

12. *Ibid.* Cf. also President Coolidge's Message to Congress, December 6, 1923, 68th Congress, 1st Session, 1923, H. Docs., Vol. I, No. 1.

ment.¹³ The Soviet Government has not been permitted to sue in the American courts, but has been accorded immunity when sued here. The courts at first refused to apply its acts and decrees; at present, however, they appear to be inclined to give effect to them whenever failure to do so would be contrary to public policy.

ORIGINS AND FORM OF THE SOVIET GOVERNMENT

The Government of the United States has not inquired into the revolutionary origins of the Soviet Government. Revolution as a means of establishing a new government had been sanctioned by the recognition of the Provisional Government in Russia on March 22, 1917;¹⁴ it could not well be condemned in the case of that government's successor.

The form and methods of the Soviet Government, however, have met with criticism in the United States. The Bolshevik conception of the State has been considered fundamentally in conflict with established political institutions. Lenin had accepted the thesis advanced by Engels that the State is based on irreconcilable class antagonisms; these antagonisms once removed, the State would become superfluous, and "wither" away, yielding its place to a class-less society.¹⁵ The proletarian State he regarded as a transitional stage. The proletarian State, according to Lenin, was to be cast in the mold of "the revolutionary dictatorship of the proletariat."¹⁶ During the transitional period the proletariat should employ the methods of the capitalistic State they were attempting to displace.

".....Suppression is *still* necessary; but in this case it is the suppression of the minority of exploiters by the majority of exploited. A special instrument, a special machine for suppression—i. e., the 'State'—is necessary, but this is now a transitional state, no longer a state in the ordinary sense of the term."¹⁷

The exact form that the dictatorship of the proletariat was to take was left undecided until the Bolsheviks came to power. Consultation of the Russian people as a whole regarding the form of government they would like to see adopted was at no time, however, a feature of the Communist program.

"The question is not of the right of the nation (i. e., of the workers and the bourgeoisie together) to independence, but of the right of the laboring classes. That means that the so-called 'will of the nation' is not in the least sacred to us. If we meant the will of the nation, we should convene a Constituent Assembly of that nation. We consider sacred only the will of the proletariat and the semi-proletarian masses. This is why we speak not of the rights of nations to independence, but of the right of the laboring classes of every nation to separation if it so desires."¹⁸

METHODS OF THE SOVIET GOVERNMENT

The Bolsheviks, nevertheless, convened the Constituent Assembly, preparations for which had been made under the Provisional Government. It met on January 18, 1918, only to be dispersed on the following day.¹⁹ Thereafter, no effort was made to consult the population save through the channel of pyramided soviets, elected on a limited franchise, to the exclusion of all but members of the "laboring classes." Parliamentary government, according to Bolshevik theory, is the creature of the bourgeoisie, to be overthrown along with the class which gave it birth.

"Our attitude towards the necessity of dictatorship leads us, as an inevitable result, both

13. Statement by Mr. Kellogg, Secretary of State, April 14, 1928. *Foreign Relations*, Republican National Committee, Bulletin No. 6, 1928, p. 49.

14. Mr. Francis, Ambassador to Russia, to Mr. Lansing, Secretary of State, March 22, 1917. *For. Rels.*, 1917, p. 1211.

15. Lenin, N., *The State and Revolution*, London, 1917, p. 10-11, 19.

16. *Ibid.*, p. 88; cf. also Bukharin, N., *The Communist Program*, 1919, p. 15. (Bukharin is the editor of *Pravda*, the official organ of the Russian Communist party, and a member of the Executive Committee of the Communist International.) This phrase was first used by Karl Marx in his *Criticism of the Gotha Program*.

17. Lenin, *op. cit.* p. 93; Bukharin, *op. cit.* p. 18.

18. Bukharin, *op. cit.* p. 74.

19. "Should our workers and peasants suffer defeat, should the Constituent Assembly be really summoned, should the place of the Government of the Soviets be taken by an ordinary bourgeois republic after the manner of the French and American republics—then the worker should not only not be under any obligation to defend it, but should make it the task of his life to overthrow such a republic." Bukharin, *op. cit.* p. 24-25.

to our struggle against an antiquated form of a parliamentary bourgeois republic (sometimes called 'democratic'), and to our attempts at setting up instead a new form of state administration—a government of the Soviets of Workers', Soldiers' and Peasants' Deputies....

"What is the essential difference between a parliamentary republic and a republic of the soviets? It is, that in a Soviet republic the non-working elements are deprived of the franchise and take no part in administrative affairs. The country is governed by the soviets, which are elected by the toilers in the places where they work, as factories, works, workshops, mines, and in villages and hamlets."²⁰

While the Soviet Government has succeeded in barring members of the former aristocracy, the bourgeoisie and the clergy, and persons who hire labor for private gain, from participation in political activities, it has been unable to prevent the differentiation of class interests and the development of new class antagonisms. Conflicts between the State and the private trader—the *nepman*²¹—have been substituted for those between workman and capitalist; conflicts between the poor peasant and the rich one—the *kulak*²²—have replaced those between peasant and landlord. During the 1929 elections the Soviet Government attempted to enlarge still further the lists of the disfranchised by a strict interpretation of the terms "persons engaged in private trade" and "persons employing hired labor." Rykov, President of the Council of People's Commissars, said on November 30, 1928:

"During the past year we carried out an intensive practical campaign against private capital along several lines. We energetically attacked the *kulak* elements in the village. We have greatly narrowed the sector of private trade."²³

"This must be our slogan," stated an article in *Izvestia*, November 28, 1928, "no *kulak* and no exploiter should be permitted, not only to enter the soviets, but even to participate in the elections."²⁴

20. Bukharin, *op. cit.* p. 19-20.

21. Person engaged in private trade under the New Economic Policy (NEP).

22. *Kulak* (fast) is the term usually applied to the well-to-do peasant who employs hired labor.

23. *Izvestia*, December 5, 1928. (Translation ours.)

24. Kutuzov, I. "O Spiskach Lisshenzev," (The Lists of the Disfranchised), *Izvestia*, November 29, 1928. (Translation ours.)

ATTITUDE OF THE UNITED STATES

The Government of the United States has expressed the opinion that the Soviet Government has not received the assent of the Russian people. Mr. Colby, Secretary of State, in a note of August 10, 1920, addressed to Baron Avezana, Italian Ambassador to the United States, said:

"That the present rulers of Russia do not rule by the will or consent of any considerable proportion of the Russian people is an incontestable fact. Although nearly two and a half years have passed since they seized the machinery of government, promising to protect the Constituent Assembly against alleged conspiracies against it, they have not yet permitted anything in the nature of a popular election."²⁵

On July 19, 1923, Mr. Hughes, Secretary of State, wrote Mr. Gompers, president of the American Federation of Labor:

"You refer with just emphasis to the tyrannical exercise of power by this [the Soviet] régime. . . . It is true that, under the pressure of the calamitous consequences, the governing group in Russia has yielded certain concessions A new constitution has just now been promulgated providing in effect for the continuance of the régime of the 1917 *coup d'état* under a new title. The Constitution, it is understood, contains no bill of rights, and the civil liberties of the people remain insecure. There is no press except the press controlled by the régime, and the censorship is far-reaching and stringent. Labor is understood to be still at the mercy of the State.....

"There can be no question of the sincere friendliness of the American people toward the Russian people. And there is for this very reason a strong desire that nothing should be done to place the seal of approval on the tyrannical measures that have been adopted in Russia or to take any action which might retard the gradual reassertion of the Russian people of their right to live in freedom."²⁶

Mr. Hughes reiterated Jefferson's principle of the right of any nation to "govern itself according to whatever form it pleases, and change these forms at its own will." He added, however, that in the case of Russia there had been "tyrannical pro-

25. Cong. Rec. Senate, 66th Congress, 3rd Session, Vol. 60, Part III, January 29, 1921, p. 2221.

26. *New York Times*, July 23, 1923; *American Federationist* (1924), p. 156-157.

cedure," which had "caused the question of the submission or acquiescence of the Russian people to remain an open one."²⁷ It has been pointed out above that, in practice, the assent of the people, express or tacit, has been considered a test of the existence of a government *de facto*.²⁸

Mr. Hughes' statement may be regarded as placing in question not the desirability

of recognizing the Soviet Government, but the very fact of its existence. Indeed, governments exercising methods similar to those of the Soviet Government with regard to civil liberties, the freedom of the press, etc., have been accorded recognition by the United States; among these may be named the governments of Italy, Spain, Poland and Turkey.

OBJECTIONS TO RECOGNITION

Non-recognition of the Soviet Government by the United States has been based on three grounds: (1) its connection with the Communist (Third) International; (2) its repudiation of the debts of preceding governments; and (3) the confiscation of the property of American citizens.

THE COMMUNIST (THIRD) INTERNATIONAL

It is impossible, within the limits of this study, to examine in detail the allegations and denials which have been made regarding Bolshevik propaganda abroad. All that can be attempted here is a brief analysis of the Bolshevik theory of international relations, the extent to which propaganda is necessary to its realization, and its effect on the recognition policy of other States.

The eventual goal of the proletariat, according to Lenin and Bukharin, is the formation of a class-less society; the means by which it is to be finally achieved is the world revolution of the laboring classes. The world revolution is to be encouraged by the first Communist State, the Union of Soviet Socialist Republics (of which the

Russian Soviet Federated Socialist Republic is a member.)²⁹ This State is itself the creature of the Russian Communist party, a section of the International Communist party which was welded in 1919 into the organization known as the Communist International, with headquarters in Moscow. The Communist program with regard to international relations is stated by Bukharin as follows:

"The program of the Communist party is a scheme not only for the liberation of the proletariat of one country, but for the emancipation of the proletariat of the whole world; for it is a program of international revolution. . . ."³⁰

"We must pursue the tactics of universal support of the international revolution, by means of revolutionary propaganda, strikes, revolts in imperialist countries and by propagating revolts and insurrections in the colonies of these countries."³¹

The program adopted at the close of the Sixth Congress of the Communist International on September 1, 1928, equally binding on all sections of the party, states that

29. The Union of Soviet Socialist Republics (U.S.S.R.) was formed in 1923; it includes the Russian Soviet Federated Socialist Republic (R.S.F.S.R.); the Ukraine Soviet Socialist Republic (Ukr. S.S.R.); the White Russian Soviet Socialist Republic (W.R.S.S.R.); the Transcaucasian Soviet Federated Socialist Republic (T.S.F.S.R.); the Turcoman Soviet Socialist Republic, and the Uzbekistan Soviet Socialist Republic.

30. Bukharin, *op. cit.* p. 73.

31. *Ibid.* p. 75. Under the rubric "Propaganda," *Entsiklopedia Gosudarstva i Prava* (Encyclopedia of State and Law), edited by P. Stutchka, People's Commissar of Justice, Communist Academy, Moscow, 1925-1927, 3 vols., Vol. III, p. 554-555, it is said: "The propaganda of Communism (Marxism and Leninism), carried out by the Soviet Government and the Communist parties, means the explanation and dissemination among the masses of the teaching of Marx-Engels-Lenin regarding the laws of the development of human society, class struggle and Socialist revolution, with a view to the preparation of the proletariat and the laboring groups connected with it for revolutionary activity directed to the consummation of Socialist society . . . by the Communist International and the Communist parties of the respective States through their members." (Translation ours.)

27. *Ibid.*

28. *Claim of Dreyfus Bros. & Co. Franco-Chilean Tribunal of Arbitration, Lausanne, 1901.* Descamps et Renault, *Recueil des Traités du XX Siècle*, 1901, p. 393, 394; *Great Britain v. Costa Rica*, Opinion of W. H. Taft, Arbitrator, 18 *American Journal of International Law* (1924), p. 155. The absence of assent has been regarded as conclusive evidence that the government in question is not a government *de facto*. *Cuculla v. Mexico*, United States and Mexican Claims Commission, Moore, *International Arbitrations*, p. 2873, p. 2876; *McKenny v. Mexico*, *Ibid.*, p. 2881, 2882; *Jansen v. Mexico*, *Ibid.*, p. 2903, 2927-2928; *Garrison v. Venezuela*, United States and Venezuela Claims Commission, *Ibid.*, p. 3548; *Schultz v. Mexico*, United States and Mexico Claims Commission, *Ibid.*, p. 2973; *Hopkins v. Mexico*, United States and Mexico General Claims Commission, constituted under the convention of September 8, 1923, Docket No. 39, March 31, 1926, Washington, 1926.

the present epoch is one of proletarian revolutions, "an epoch of actual struggle for governmental power, of struggle for proletarian dictatorship." It further declares:

"The Communists consider it unnecessary to disguise their views and purposes. They openly declare that their aims can be accomplished only through an overthrow by force of the whole existing social order . . . The gain of government power by the proletariat is by no means a peaceful 'conquest' of the existing bourgeois government through parliamentary majorities.... The hold of the bourgeoisie can be broken only by ruthless violence. . . . The conquest of power by the proletariat consists in an actual annihilation of the existing capitalistic state machine—the army, the police, the bureaucracy, the courts, parliaments, etc.—and putting in their place new organs of proletarian power, intended in the first place to serve as tools to suppress the exploiters."³²

The early conviction of the Bolsheviks that the revolution would immediately spread throughout the world has been weakened by the failure of Communist uprisings, especially in China and in the colonies.³³ The program of 1928 admits that capitalism appears to have become temporarily "stabilized," and that "between the capitalistic order and the Communist order there lies a period of revolutionary transformation," which will be characterized by wars, agrarian and colonial revolts, etc. It goes so far as to state that "the victory of socialism is possible first in only a few countries, or even only in one individual country."

This indefinite postponement of the world revolution has alarmed the Left (Trotzkist) wing of the Russian Communist party, and has been described by Trotsky as an unwarranted capitulation to capitalism on the part of Stalin and his followers.

"We must, first of all, wholly and without reserve affirm and re-enforce our support to the international revolution. . . . The 'theory' of socialism in one country is now playing an actually disintegrating rôle and clearly hindering

the consolidation of the international forces of the proletariat around the Soviet Union. It is lulling the workers of other countries, dulling their sense of the actual danger."³⁴

THE SOVIET GOVERNMENT AND THE COMMUNIST INTERNATIONAL

The connection existing between the Communist International and the Soviet Government has been the subject of much discussion. It seems clear from the reports of the congresses of the Communist International, six of which have been held since 1919,³⁵ that the interaction between the two organizations is close and permanent. The Soviet Government is regarded by the Russian Communist party

"... as a weapon of the universal proletariat against the universal bourgeoisie. The war cry of this struggle is self-evident—the universal war cry of this struggle is the motto of the International Soviet Republic.

"The overthrow of imperialistic governments by means of armed insurrections and the organization of international soviet republics—such is the way to an international dictatorship of the working class."³⁶

The persons now ruling Russia are all members of the Russian Communist party; some of them are connected both with the Soviet Government and with the Communist International. Thus, Kalinin, the President of the U. S. S. R., was a delegate of the Russian Communist party to the Fifth Congress of the Communist International; Rykov, the President of the Council of People's Commissars of the U.S.S.R., is a member of the Executive Committee of the Communist International, and

34. Trotsky, L. *The Real Situation in Russia* (translated by Max Eastman), New York, 1928, p. 168.

35. The minutes of the first four congresses of the Communist International are examined and quoted in part in the report of the hearings held before a subcommittee of the Senate Committee on Foreign Relations, 68th Congress, 1st Session, 1924, Nos. 173 and 174. The report of the Second Congress, held in 1920, collated from reports in the official press of the Soviet Government, was published by the Department of State, Washington, 1920. Reports of the first two congresses are available in Russian: *Pervyi Kongress Kommunisticheskovo Internatsionala* (First Congress of the Communist International), March 2-19, 1919, Petrograd, 1921; *Vtoroi Kongress Kommunisticheskovo Internatsionala* (Second Congress of the Communist International), 1920, Petrograd, 1921. The theses and resolutions of the latter congress are available separately; they were published in Petrograd in 1920. The theses and resolutions adopted at the Third Congress of the Communist International, 1921, have been published in English, New York, 1921. Abridged reports of the Fourth and Fifth Congresses have been issued in English by the Communist Party of Great Britain. *Foreign Affairs*, January, 1929, p. 259, presents an analysis of and quotations from the minutes, theses and resolutions of the Sixth Congress, held in Moscow in the summer of 1928, under the title "The New Communist Bible."

36. Bukharin, *op. cit.* p. 75.

32. *Izvestia*, September 5, 1928. Cf. "The New Communist Bible," *Foreign Affairs*, January, 1929, p. 259, in which parts of the program are available in translation.

33. *The Communist International between the Fifth and Sixth World Congresses, 1924-1928*. The Communist Party of Great Britain, London, 1928.

was a delegate of the Russian Communist party to the Sixth Congress of the Communist International; Stalin, the Secretary-General of the Russian Communist party and Russia's actual ruler, is a member of the Executive Committee of the Communist International, and was a delegate of the Russian Communist party to the Sixth Congress of the Communist International.

Within the Russian Communist party itself opinion has been divided as to the degree of influence which the Communist International should be permitted to exercise on the policies of the Soviet Government, especially in the sphere of foreign affairs. These internal dissensions, however, do not seem to affect the interlocking activities of the two organizations. At the Fourth Congress of the Communist International, 1922, Zinoviev said:

"It is, of course, self-evident that there is and there ought and must be an interaction between the first proletarian republic and the Communist party which is fighting against the bourgeoisie. From our communist viewpoint it is perfectly clear that the Communist International is of the greatest importance for Soviet Russia, and vice versa. It is utterly ridiculous to ask who is the exploited, who the subject and who the object. The Republic and the International are as the foundation and the roof of the building. They belong to each other."³⁷

At the Fourteenth Congress of the Russian Communist party, 1925, Stalin, the Secretary-General, summed up the situation as follows:

"I think that the task of the party must be traced, in the sense of its work, in two spheres: In the sphere of the international revolutionary movement and afterwards in the sphere of the foreign policy of the Soviet Union."³⁸

The program adopted at the Sixth Congress of the Communist International, 1928, emphasizes anew the rôle of the Soviet Government as the active center of world revolution. On December 1, 1928 Bukharin made the following statement:

"It goes without saying that the deciding factor on our side is the international proletariat, and as a result of this it behooves us to extend our international connections as much as pos-

sible—connections between the laboring class and the laboring peasantry of our country, and the laboring masses—first and foremost the proletariat—of other countries."³⁹

PROPAGANDA ACTIVITIES OF THE COMMUNIST INTERNATIONAL

The Executive Committee of the Communist International, through its Organization Department, assists in the organization of Communist parties in each national State.⁴⁰ Through its Agitation and Propaganda Department (Agitprop), it issues instructions and literature to the Communist parties throughout the world, and supervises political campaigns, such as anti-war campaigns, the campaign in favor of the Chinese revolution, etc.⁴¹

The western States repeatedly declared that cessation of propaganda was an essential prerequisite for recognition of the Soviet Government. The trade agreements concluded by that government with several of the western States prior to its recognition by them contained provisions with regard to cessation of or abstention from propaganda by the contracting parties in each other's territories.⁴² The British Government, soon after the conclusion of the trade agreement, asserted that the Soviet Government had shown no signs of ceasing propaganda in the East, and demanded an immediate change of policy.⁴³ The Soviet Government denied all accusations of propaganda in India, Persia, and Afghanistan, as well as its connection with the Communist International.⁴⁴

In 1923 Lord Curzon repeated his allegations, and declared that, unless the Soviet

39. "Tekushchii Moment i Zadatchi Nashel Pechati" (Current Events and the Task of our Press), *Izvestia*, December 2, 1928.

40. The Communist International, *op. cit.*, p. 10-11.

41. *Ibid.*, p. 36-49.

42. Great Britain, *British and Foreign State Papers*, Vol. 114 (1921), p. 373; Germany, *Ibid.* 806; Norway, *Ibid.* 882; Denmark, *Br. and For. State Papers*, Vol. 118 (1923), p. 188; preliminary agreement with Italy, December 26, 1921, *Sbornik Doistvoisichih Dogovorov, Soglashenii i Konvenzi, Zakluchennich s Inostrannymi Gosudarstvami* (Collection of Treaties, Agreements and Conventions Concluded with Foreign States), published by the Soviet Government, 1924, No. 11 (Preamble).

43. Lord Curzon to the Soviet Government, September 7, 1921. *Anglo-Sovetskie Otnosheniya, 1921-1927* (Anglo-Soviet Relations, 1921-1927), documents published by the People's Commissariat for Foreign Affairs, Moscow, 1927, p. 14.

44. M. Litvinov, of the People's Commissariat for Foreign Affairs, to the British Foreign Office, September 27, 1921, *Ibid.* p. 22.

37. Hearings before a subcommittee of the Senate Committee on Foreign Relations, 68th Congress, 1st Session, 1924, p. 233.

38. *Izvestia*, December 20, 1925.

Government undertook within ten days from the receipt of his note to fulfill the terms of the trade agreement, the British Government would consider the agreement at an end.⁴⁵ The Soviet Government denied the charges,⁴⁶ but finally agreed to a reformulation of the mutual obligation to abstain from propaganda.⁴⁷

The British Government finally recognized the Soviet Government by a note of February 1, 1924.⁴⁸ This note (clause 5) reiterated the principle of abstention from propaganda.

"It is also manifest that genuinely friendly relations cannot be said to be completely established so long as either party has reason to suspect the other of carrying on propaganda against its interests and directed to the overthrow of its institutions."⁴⁹

The treaties by which a number of other States accorded recognition also contained provisions regarding propaganda.⁵⁰ Notwithstanding these provisions, it has been alleged that propaganda did not cease. The incident of the "Zinoviev Letter," 1924,⁵¹ in Great Britain and the series of incidents which preceded the rupture of relations in 1927,⁵² the activities of M. Rakovsky, the

Soviet Ambassador to France, which resulted in a demand for his recall—these are only a few of the episodes which marked the relations of the Soviet Government with western States subsequent to recognition.

On December 19, 1928, Mr. Taylor, a Labor member, asked Sir Austen Chamberlain in the House of Commons whether "the only difficulty in reopening negotiations now was the question of propaganda."

"Sir A. Chamberlain—I doubt it. Until propaganda and action hostile to the British Empire have ceased, His Majesty's Government cannot enter into negotiations. Mr. Taylor asked if the right hon. gentleman was referring to propaganda in this country or in others parts of the world. (Ministerial cries of 'The Empire.') Sir A. Chamberlain—I refer to both. Mr. T. Williams (Lab.)—Has the right hon. gentleman any information which would go to show that this propaganda has not ceased at the moment? Sir A. Chamberlain—Yes, a lot."⁵³

THE POLICY OF THE UNITED STATES

The Government of the United States has repeatedly asserted that recognition could not be granted to the Soviet Government as long as the practice of propaganda continued.⁵⁴ In a statement prepared by Mr. Kellogg for the Republican National Committee, and issued by Chairman Butler on April 14, 1928, the following allegations are made:

"Since that time (1924) these activities ['by various Bolshevik organizations under the direction and control of Moscow'] have been developed and extended to include, for example, the stirring up of resentment against the Government and the people of the United States in the countries of Latin America and in the Far East, and the supervision by Moscow of the organizations through which these activities are carried on has become even more comprehensive and pronounced. The Government of the United States feels no concern lest this systematic interference in our affairs lead in the end to a consummation of the Bolshevik plan to bring about the overthrow of our Government and institutions.

53. *Times* (London), December 20, 1928.

54. Mr. Colby, Secretary of State, to Baron Avezzana, Italian Ambassador to the United States, August 10, 1920, Cong. Rec. Sen., 66th Congress, 3rd Session, Vol. 60, Part III, January 29, 1921, p. 2221; statement by Mr. Hughes, Secretary of State, in reply to a telegram of M. Chicherin, People's Commissar for Foreign Affairs, December 18, 1923, Cong. Rec., 68th Congress, 1st Session, Vol. 65, Part I, December 20, 1923, p. 451.

45. Note of May 8, 1923, *Br. Parl. Papers, Russia No. 2* (1923), Cmd. 1869, London, 1923, No. 5; *Anglo-Sovetskie Otnosheniya*, p. 32.

46. M. Litvinov to Mr. Hodgson, British agent in Moscow, May 11, 1923, *Br. Parl. Papers, Russia No. 3* (1923), Cmd. 1874, London, 1923.

47. Memorandum submitted by the Soviet Government to the British Foreign Office, June 4, 1923, *Br. Parl. Papers, Russia No. 4* (1923), Cmd. 1890, London, 1923, No. 3.

48. *Times* (London), February 2, 1924.

49. The French note of recognition, October 29, 1924, *Temps*, October 29, 1924, likewise stated: "Finally, it must be understood from the outset that non-interference in internal affairs will be the rule of the relations of the two countries." English text in Bulletin No. 6 of the Reference Service on International Affairs of the American Library in Paris, *International Position of the Union of Soviet Socialist Republics*, Paris, June 31, 1926, p. 6.

50. Cf. the Russo-Japanese treaty, January 20, 1925, *League of Nations Treaty Series*, Vol. XXXIV (1925), p. 32. By the terms of this treaty, the parties undertake the obligation "to refrain and to restrain all persons in any governmental service for them, and all organizations in receipt of any financial assistance from them, from any acts overt or covert liable in any way whatsoever to endanger the order and security in any part of the territories of Japan or the U.S.S.R. It is further agreed that neither contracting party shall permit the presence in the territories under its jurisdiction: (a) of organizations or groups pretending to be the government for any part of the territories of the other party or (b) of alien subjects or citizens who may be found to be actually carrying on political activities for such organizations or groups."

51. The Russian texts of the correspondence exchanged on this occasion are contained in *Anglo-Sovetskie Otnosheniya*, p. 77-90.

52. *Br. Parl. Papers, Russia No. 1* (1927), Cmd. 2922, contains texts of some of the letters exchanged on this occasion. The Russian texts of the entire correspondence up to the rupture of relations in June 1927 are contained in *Anglo-Sovetskie Otnosheniya*, p. 100-161.

"The Government of the United States, however, does not propose to acquiesce in such interference by entering into relations with the Soviet Government.

"Nor can the Government of the United States overlook the significance of the activities carried on in our midst under the direction of Moscow as evidence of the continuation of the fundamental hostile purpose of the present rulers of Russia, which makes vain any hope of establishing relations on a basis usual between friendly nations."⁵⁵

The report of the activities of the Communist International, 1924-1928, states that the Communist party in the United States (a section of the Communist International) carried on an anti-imperialist campaign in connection with events in China and Nicaragua, especially among the marines, and a campaign in favor of the recognition of the Soviet Union. It was also active, according to the report, in the anthracite strike in Pennsylvania, in the Passaic strike, in the bituminous coal strike in Pennsylvania and Ohio, and in the Colorado strike. The report further states that "the appearance of annual Philippine commissions in the United States have been utilized for propaganda purposes."⁵⁶ Summing up the work of the Agitation and Propaganda (Agitprop) Department of the Executive Committee of the Communist International, the report points out that "work was, as before, concentrated on the big European countries and the United States"⁵⁷—a condition of things which is viewed as a defect.

M. Litvinov, Acting Commissar for Foreign Affairs, in his report on the foreign policy of the Soviet Government for the past year, December 10, 1928, reiterated once more the principle of non-interference by the Soviet Government in the internal affairs of other States, and claimed that all allegations to the contrary were pure invention, utilized by the western States for purposes hostile to the Soviet Government.

"Non-interference in the internal affairs of other States has not only been proclaimed by us, but has been proved by the example of our

relations with Germany, Italy and other States, which never had cause to complain that we had violated this principle. Whoever speaks of our interference or propaganda merely creates artificial obstacles, or makes use of them in order to justify their hostility to the Soviet Union—a hostility dictated by entirely different motives, or resorts to this method for the purpose of internal struggle."⁵⁸

REPUDIATION OF DEBTS AND CONFISCATION OF PROPERTY

Another obstacle to recognition has been the repudiation by the Soviet Government of the debts of preceding governments and the confiscation of the property of foreign citizens. Both repudiation and confiscation involved economic disruption and undermined the credit of the Soviet Government abroad. The Soviet Government has suffered from the economic consequences of these acts and has sought to obtain credits abroad as a *quid pro quo* for recognition of the debts and the restoration of confiscated property.

By a series of decrees the Soviet Government in 1917-1918 repudiated the debts contracted by the Czarist and Provisional Governments,⁵⁹ and nationalized the property of foreign banks, industrial and commercial concerns, and insurance companies.⁶⁰ The Bolshevik thesis was, and is, that the debts contracted by preceding governments had been the means of assuring the oppression of the laboring classes by these governments, and that the Soviet Government could not be expected to repay such loans. The violation of international law was not denied, but was justified by the peculiar characteristics of the Soviet Government as a representative of the proletariat.⁶¹ The repudiation of the loans was described as "the first blow at international banking and financial capital," and the nationalization of banks as

58. *Izvestia*, December 11, 1928. (Translation ours.)

59. English text, Exhibit 59, Sen. Docs., Vol. 4, p. 1237, 66th Congress, 1st Session, 1919. Russian text, *Sbornik Dekretov* (Collection of Decrees), published by the Soviet Government, Vol. I, 1917-1918, No. 23.

60. Decree on the nationalization of banks, December 14, 1917, Exhibit 56, Sen. Docs., Vol. 4, 66th Congress, 1st Session, 1919; decree on the nationalization of industrial and commercial concerns, June 20, 1918, Labry, R. *Une Législation Communiste*, Paris, 1920, p. 119-126; decree on the nationalization of insurance companies, November 28, 1917, Exhibit 47, Sen. Docs., Vol. 4, 66th Congress, 1st Session, 1919.

61. Korovin, E. A. *Mezhdunarodnye Dogovory i Akty Novovo Vremeni* (International Agreements and Acts of the Modern Period), Moscow, 1925. Note on the Soviet Conception of International Law, p. 327.

55. Cf. footnote 13.

56. *The Communist International between the Fifth and Sixth World Congresses, 1924-1928*, p. 333, et. seq.

57. *Ibid.*, p. 38.

"one of the conditions of emancipation of the toiling masses from the yoke of capital."⁶²

COLLECTIVE NEGOTIATIONS

The Allies attempted to negotiate with the Soviet Government regarding the repayment of the debts and the restitution of private property: separately, by means of trade agreements,⁶³ and collectively, by means of international conferences. The failure of the trade agreements to bring about further negotiations regarding the Soviet Government's international obligations caused the French Government to claim in 1920 that the resumption of trade with Russia and the recognition of Russian debts could not be discussed independently of each other.⁶⁴ It proposed that an international organization should be charged with the task of collecting the Russian debts, under the terms of an international agreement.⁶⁵ The Soviet Government itself, pressed by the need for foreign credits, and aware of the difficulty of obtaining them in States which linked the resumption of trade relations with the recognition of debts, made overtures in 1921 for an international discussion of the matter.⁶⁶ It stated that, although it was still convinced that no people should be under the obligation to pay the price of its chains, it was willing, nevertheless, to make concessions. It suggested that an international conference be summoned to examine the claims of the western States against Russia prior to 1914, as well as Russia's claims against the western States.

At the Genoa Conference, summoned in consequence in 1922, the Soviet Government demanded recognition and credits, and offered in return to recognize debts contracted by the Czarist Government prior to 1914, to compensate indirectly foreigners whose

property had been confiscated, and to give guarantees for the future protection of property in Russia. The Allies demanded the recognition of all debts, compensation for all acts of confiscation, and abstention from propaganda; in return they offered recognition and credits. The Soviet Government advanced counterclaims, based on damage caused in the course of Allied intervention; these counterclaims the Allies refused to recognize. The conference failed to reach any conclusions.⁶⁷ Negotiations were renewed at the Hague Conference in 1922.⁶⁸ The Soviet Government abandoned its counterclaims, but persisted in refusing to recognize Russia's debts contracted after 1914. It offered to foreigners whose property had been confiscated, in lieu of compensation, the right of first refusal of concessions on their former undertakings.⁶⁹ The non-Russian commissions appointed to study various aspects of the two problems of debts and compensation expressed the conviction that the Soviet Government was neither willing nor able to make payment.⁷⁰ The conference closed without reaching any practical solution.

SEPARATE NEGOTIATIONS

The failure of collective negotiations left the way open again for separate negotiations by the several States. Recognition was accorded by them, however, before a definite agreement on the subject was reached. The British note of recognition of February 1, 1924 stated:

"Technically unconnected with the recognition, but clearly of the utmost importance are the problems of the settlement of the existing

62. Constitution of the Russian Soviet Federated Socialist Republic, July 10, 1918, Part I, *Declaration of the Rights of the Toiling and Exploited People*.

63. Cf. the British Trade Agreement, March 16, 1921, which provided that "all claims of either Party or of its nationals against the other party or in respect of obligations incurred by the existing or former governments of either country shall be equitably dealt with in the formal general Peace Treaty referred to in the preamble."

64. French Ministry for Foreign Affairs to Lord Hardinge, British Ambassador in Paris, November 25, 1920. *Br. and For. State Papers*, Vol. 114 (1921), p. 260-261.

65. *Ibid.*

66. M. Chicherin, People's Commissar for Foreign Affairs, to Marquess Curzon of Kedleston, October 28, 1921, *Br. and For. State Papers*, Vol. 114 (1921), p. 380, 382.

67. The following documents may be consulted with regard to the Genoa Conference: *Papers Relating to the International Economic Conference, Genoa, April-May 1922*, Cmd. 1667, London, 1922; Giannini, A. ed. *Les Documents de la Conférence de Genes*, Rome, 1922; *Ministère des Affaires Étrangères, Documents Diplomatiques, Conférence Économique Internationale de Genes, 9 avril—19 mai, 1922*, Paris, 1922; *Materialy Genezskoi Konferentsii* (Materials of Genoa Conference), Moscow, 1922.

68. The following documents may be consulted with regard to the Hague Conference: *Papers relating to the Hague Conference, June-July, 1922*, *Br. Parl. Papers*, Cmd. 1724, London, 1922; Netherlands, Department of Foreign Affairs, *Conference at The Hague, Minutes and Documents*, The Hague, 1922; *Gaagskaya Konferentsia*, (The Hague Conference), Minutes and Documents, published by the People's Commissariat for Foreign Affairs, Moscow, 1922.

69. Report made to the Council of People's Commissars by the Russian Delegation, *Gaagskaya Konferentsia* (The Hague Conference), Minutes and Documents, published by the People's Commissariat for Foreign Affairs, Moscow, 1922.

70. Report of First Non-Russian Subcommittee (Private Property). Netherlands, Department of Foreign Affairs, *Conference at The Hague*, p. 208-209.

claims by the Government and nationals of one party against the other and the restoration of Russia's credit."

That recognition was granted solely on the ground of expediency was made clear by Ramsay MacDonald when he said in the House of Commons on February 12, 1924:

"... As Foreign Minister I recognized Russia without delay, and with the full approval of the government. The point of view I took was this: I want to settle all the outstanding points between Russia and ourselves. It is a very big job, certainly, it is a job that some one sooner or later had to face, and I made up my mind to face it, to tackle it. I made up my mind on this and at the same time, that if you try to face those things—debt, foreign relations, treaties of doubtful validity, disagreements which were threatening war almost every day, propaganda North, South, East and West—if any Foreign Secretary sat down, and tried to settle those questions with a representative of Russia who was not even a *Chargé d'affaires*, if he lived to the age of Methuselah, he never would settle them. The preliminary for settlement was recognition. Therefore, I recommended the cabinet to recognize Russia, and that was done."⁷¹

The unratified treaty of 1924 between Russia and Great Britain provided (Article 6):

"In pursuance of the declaration annexed to the Trade Agreement of the 16th March, 1921, the government of the Union of Soviet Socialist Republics declares that by way of exception to the decree of the 28th January, 1918 (regarding the annulment of debts) it will satisfy, in the conditions prescribed in the present treaty, the claims of British holders of loans issued or taken over or guaranteed by the former Imperial Russian Government, or by the municipalities or towns in the territories now included in the Union, payable in foreign (non-Russian) currency.

"The Government of His Britannic Majesty recognizes that the financial and economic position of the Union renders impracticable the full satisfaction of the claims referred to in the preceding paragraph of this article. . . ."⁷²

All questions connected with the claims of the two governments against each other were reserved for discussion at a later date. No settlement has yet been made. That the British Government might accept a partial payment of the debts was indicated recently when Mr. Boothby, Private Parliamentary

Secretary to Winston Churchill, Chancellor of the Exchequer, stated in an address at Peterhead on December 14 that the Soviet Government would find a large amount of credit in London, provided it would give adequate guarantees and undertakings.⁷³ "No one," he said, "expected that Russia should repay the whole of her debts, or anything like it." On December 17, however, Sir Austen Chamberlain stated in the House of Commons that "the most essential thing is that we should not only have a categorical understanding, such as we had before in regard to propaganda, but proof that the undertaking will be kept." When asked what proof would be satisfactory to the British Government, he said: "A complete cessation of the activities of which we have reason to complain."

The French Government, in the note in which it recognized the Soviet Government, reserved

"... the rights which French citizens hold in respect of obligations entered into by Russia or her nationals under the former régimes, obligations respect for which is guaranteed by the general principles of law which remain for us the rule of international life. The same reservations apply to the responsibilities assumed since 1914 by Russia towards the French State and its nationals."

The French Government has been engaged in negotiations with the Soviet representative in Paris regarding the settlement of debts, but has as yet reached no decision on the proposals submitted by the Soviet Government, which continues to link its need for credits with the payment of debts. The present situation was alluded to in the Chamber of Deputies on December 4, 1928, when in answer to a remark made by M. Cachin regarding the excellent financial condition of the Soviet Government, the following incident occurred:

"(A voice from the Right.) They do not pay their debts! (Applause on the Right.)

"M. Cachin. They have offered to pay them. (Applause on the extreme Communist Left.)"⁷⁴

The Treaty of Rapallo, concluded by Germany and Russia on April 16, 1922, provided that

"Germany renounces claims which have arisen through the application up to the present of the

71. *Parl. Debates*, House of Commons, Vol. 169 (1924), p. 768.

72. *Br. Parl. Papers, Russia No. 4* (1924), Cmd. 2260, London, 1924.

73. *Times* (London), December 15, 1928.

74. *Temps*, December 5, 1928.

laws and measures of the R. S. F. S. R. to German nationals or to their private rights as well as to the rights of Germany and its constituent states against Russia, or from the measures otherwise adopted by the R. S. F. S. R. or its officials against German nationals or their private rights, provided that the government of the R. S. F. S. R. does not satisfy similar claims of other states."⁷⁵

This treaty met with severe criticism on the part of the other States at the Genoa Conference, on the ground particularly that it prejudiced future arrangements which might be arrived at between them and the Soviet Government.⁷⁶ Should the Soviet Government actually undertake to satisfy the claims of other States, in part or in full, the German Government would, it seems, be entitled to similar restitution.

The question of whether the Soviet Government will be asked to repay the debts contracted by the preceding governments in full, or only in part, was raised by the French Government as early as 1920. The French Government was of the opinion that the Russian debts should not be placed entirely to the charge of the Russian Soviet Federated Socialist Republic (the Soviet Union had not yet been established), but should be apportioned among the several new States which had been formed, in whole or in part, of territory formerly belonging to the Russian Empire. The eventual apportionment of the debt presents many problems, in view of the fact that by treaties concluded between these new States and the Soviet Government, the former were released by the latter from all responsibility for the debts contracted on behalf of the Russian State by the Czarist and Provisional Governments.⁷⁷

The present attitude of the Soviet Government with regard to debts was indicated by M. Litvinov when he said on December 10, 1928:

"Among them [the European States and the United States] there are some which had con-

siderable financial claims against the Soviet Union as a result of the revolutionary decrees. They expected to force us to satisfy their claims by means of non-recognition. I expect that they have had sufficient time to become convinced of the ineffectiveness of this measure of pressure, and also of the fact that, by depriving themselves of a share in economic relations with us and of the resulting advantages, they are committing an act of so-called Japanese vengeance."

INTERNATIONAL COMMITTEE OF CREDITORS

The governments of the western States having failed in the attempt to obtain the payment of the Russian debts, private organizations have taken steps to effect this purpose. On October 28, 1928, at the initiative of Baring Brothers, an international committee representing groups of British, French, German, Dutch, Swiss and Danish bankers was formed in London for the purpose of safeguarding the interests of foreign holders of Russian bonds. The committee states that it has no political aims. Its object is to provide machinery for the settlement of private claims against the Soviet Government. The national groups represented on the committee pledge themselves not to conclude separate agreements with the Soviet Government with regard to any bonded debts constituting either a direct obligation undertaken by the former Russian Government or by a Russian municipality, or debts guaranteed by either of these authorities. The benefits of any agreement which may be reached are to be equally shared by the participating groups. American banks have refused to take part in the work of the international committee of creditors.

The representation of German bankers on the committee has aroused indignation in

75. *League of Nations Treaty Series*, XIX (1923), p. 248. With this treaty may be compared the treaties concluded by the Soviet Government with Finland, Estonia, Latvia and Lithuania, which provided for the mutual extinguishment of claims. Finland, Estonia, Latvia and Lithuania, and their respective citizens, are, however, to enjoy all rights with regard to restitution which may be enjoyed by other States or their citizens.

76. Collective letter to Chancellor Wirth on April 18, 1922, regarding the Treaty of Rapallo, *Conférence Economique Internationale de Genes*, p. 53.

77. Finland, October 14, 1920, *League of Nations Treaty Series*, III (1921), p. 6; Estonia, February 2, 1920, *Ibid.*, XI (1922), p. 30; Lithuania, July 12, 1920, *Ibid.*, III (1921),

p. 106; Latvia, August 11, 1920, *Ibid.*, II (1921), p. 196. Under the terms of the treaty of June 29, 1919, between the Allied and Associated Powers and Poland (Article 21), Poland assumes responsibility "for such proportion of the Russian public debt and other Russian public liabilities of any kind as may be assigned to her under a special convention between the Principal Allied and Associated Powers on the one hand and Poland on the other, to be prepared by a Commission appointed by the above States. In the event of a Commission not arriving at an agreement, the point at issue shall be referred for immediate arbitration to the League of Nations." *Br. and For. State Papers*, Vol. 112 (1919), p. 232. This provision appears to be in conflict with Article 19 of the treaty between the Soviet Government and Poland, March 18, 1921, which provides: "Russia and the Ukraine release Poland from responsibility for the debts and all other obligations of the Former Russian Empire." *Sbornik Deystvuyushchikh Dogovorov, Soglashenii i Konventsiy, Zaklyuchennykh s Inostrannymi Gosudarstvami* (Collection of Treaties, Agreements and Conventions Concluded with Foreign States), No. 2 (1921), No. 51.

the Soviet press, and the Soviet Government has stated that it considers such action contrary to the terms of the Treaty of Rapallo.⁷⁸ The German Government, however, disclaims any responsibility for the action taken by a private organization of German bankers.

"The German Government, from the very beginning, has energetically opposed the participation of a group of German banks in the international committee of Russia's creditors. Both to the Embassy of the U. S. S. R. in Germany and in official communiqués to the German press, it pointed out that the renewal of official discussions regarding pre-war debts can take place only in accordance with the clear provisions of the Treaty of Rapallo, and that the action of the German banks has no connection with the position of the German Government concerning the Treaty of Rapallo or concerning the general political relations between Germany and the U. S. S. R."⁷⁹

Whether or not an international association of private concerns will succeed in obtaining even a partial payment of the claims which their respective governments, with the exception of Germany, have so far urged in vain, is still a question.

THE POLICY OF THE UNITED STATES

The policy of the United States, unlike that of other western States, has been to refuse, not only to recognize the Soviet Government, but even to negotiate with it until it has acknowledged its obligation to pay the debts of its predecessors⁸⁰ and compensate American citizens for the confiscation of property.⁸¹ The point of view of the United States has been that, if the Soviet Government is sincerely desirous of recognizing Russia's debts and restoring the confiscated property of American citizens, it can

78. Cf. M. Litvinov's report, December 10, 1928, on the foreign policy of the Soviet Government for the past year, *Izvestia*, December 11, 1928.

79. Protocol of Russo-German trade negotiations, December 21, 1928, Section II, *Izvestia*, December 25, 1928. (Translation ours.)

80. For a detailed discussion of American claims against the Soviet Government, cf. F. P. A. *Information Service*, No. 19, Vol. II, November 24, 1926, "The Foreign Debt Policy of Soviet Russia."

81. Mr. Colby to Baron Avezzana, Italian Ambassador to the United States, August 10, 1920, Cong. Rec. Sen., 66th Congress, 3rd Session, Vol. 60, Part III, January 29, 1921, p. 2221; President Coolidge's message to Congress, December 6, 1923, House Docs., 68th Congress, 1st Session, 1923, Vol. I, No. 1. Cf. statement of Senator Lodge, Cong. Rec. Sen., 67th Congress, 4th Session, Vol. 64, Part IV, February 21, 1923, p. 4162.

do so without resorting to conferences and negotiations.⁸² The results of the recognition of the Soviet Government by the leading western States have confirmed the United States in its opinion that recognition would not be followed by the payment of debts or the restitution of private property. In a statement issued on April 14, 1928, Mr. Kellogg said:

"Certain European States have endeavored, by entering into discussions with representatives of the Soviet régime, to reach a settlement of outstanding differences on the basis of accepted international practices. Such conferences and discussions have been entirely fruitless.

"No State has been able to obtain the payment of debts contracted by Russia under preceding Governments or the indemnification of its citizens for confiscated property. Indeed, there is every reason to believe that the granting of recognition and the holding of discussions have served only to encourage the present rulers of Russia in their policy of repudiation and confiscation, as well as in their hope that it is possible to establish a working basis, accepted by other nations, whereby they can continue their war on the existing political and social order in other countries."⁸³

CAPITALISM VS. COMMUNISM

The issue at stake is not merely the recognition or non-recognition of the Soviet Government but also the possibility of the coexistence, if not of the cooperation, of the capitalistic and the communistic systems. At the International Economic Conference, held in Geneva in May and June 1927, at which the United States was represented, the Soviet delegation proposed the adoption of a resolution recognizing the coexistence of the two systems, and recommending that commercial relations be established with the Soviet Union. The American delegation avoided the commitments which the adoption of such a resolution by the conference

82. Statement by Mr. Hughes, Secretary of State, in answer to M. Chicherin's telegram, December 16, 1923, House Docs., 68th Congress, 1st Session, 1923, Vol. I, No. 1.

83. Compare the attitude of the Belgian Government, which has not yet recognized the Soviet Government. In answer to a Socialist deputy's plea for the re-establishment of relations with the U.S.S.R., M. Huymans, Minister of Foreign Affairs, said on December 21, 1928 that he was not opposed in principle to such a step. "However," he added, "in order to re-establish diplomatic relations with Russia, we must have guarantees concerning internal peace in our country, as well as concerning the recognition of our rights, past and present. The example of the United States proves that the absence of official relations does not prevent the transaction of business with the Soviets. On the other hand, the experience of France and England does not predispose us to recognition of the Government of the U.S.S.R." Cf. *Temps* (Paris), editorial, December 22, 1928.

might have forced on the United States, and suggested the substitution of a resolution to the effect that the conference "regards the participation of members of all the countries present, irrespective of differences in their economic systems, as a happy augury for a pacific commercial cooperation of all nations." This resolution was adopted by the Coordinating Commission of the Conference.⁸⁴

The hope that not only coexistence, but even cooperation, is possible between the two systems was expressed by M. Litvinov on December 10, 1928, when he said, referring particularly to Germany and Italy:

"... There are other capitalistic States which long ago became convinced or are gradually becoming convinced of the possibility and profit of cooperation with a proletarian State, in spite of its socio-political peculiarities. Leaving the solution of the competition between the two systems to the historical process, they establish normal and at times even friendly relations with us, obtaining for the present all the political and economic benefits made possible by cooperation with a State of 140,000,000 inhabitants."

The alternative to cooperation between the two systems, according to the Soviet Government, is conflict. That the Soviet Government fears a concerted attack by the capitalistic States was indicated by M. Litvinov, when he said on December 10, 1928:

"We are often accused of raising spectres of non-existent anti-Soviet blocs, of exaggerating the dangers which threaten the Union, of undue faith in communications regarding anti-Soviet plans and preparations. Of course, not all such communications deserve equal trust and attention, not all reports which reach us can be definitely checked up by means of documents. We even grant that not a few reports are circulated with no intent to convey information and some others for the purpose of intimidating us. But that which is known to us on the basis of incontrovertible information and documents, and on the basis of official statements by our enemies themselves, is quite sufficient to give a clear idea of the dangers which threaten us externally. The struggle against our Union never ceased, it only took on different forms, corresponding to changes in circumstances. Yesterday—intervention and complete blockade; today—attempts at boycott and isolation; tomorrow—perhaps again intervention or war. This results from the fact that certain capitalistic countries have

not yet assimilated the idea of the coexistence of two social systems: capitalistic and communistic. They continue to regard it their foremost task to destroy the only proletarian State where power for the first time belongs wholly to the workers and the peasants. Hypocritical are their solemn declarations that they, as it were, do not object to the construction by the workers and peasants in Russia of their own socio-political system, as long as this does not interfere with the affairs of other countries which, it is claimed, are subject to other laws of social development. The policy of such countries has been, and probably will long continue to be, wholesale interference in our affairs, an effort to prevent the growth of socialism from outside."

The Soviet Government, he added, has proved its pacific aims by the declarations it made in the Preparatory Commission on Disarmament. It has cause, however, to doubt the pacific intentions of other States.

"Anxiety is created not by the peaceful policy of the Soviet Government, but by the facts noted by me in the sphere of the relations of the Polish and Rumanian Governments towards us, the endless conferences between the general staffs of these two countries and their lively relations with the military circles of France."⁸⁵

General disarmament, according to the Soviet Government, is the only guarantee of peace.⁸⁶ It has criticized the Anti-War Pact on the ground of "the absence in the Pact of an obligation concerning disarmament" and of "the insufficiency and indefiniteness of the very formula for the outlawry of war." Considering, however, that the pact "imposes upon its participants certain obligations of a peaceful character," the Soviet Government adhered to it on September 6, 1928. It now desires to see the pact enter into force as soon as possible, "in particular in the mutual relations of the Soviet Union and its nearest neighbor-

85. Cf. the statement made in the Chamber of Deputies on December 4, 1928, by M. Cachin: "France has sent and continues to send military missions to the general staffs of the Polish army and the Rumanian army. I ask myself, moreover, whether there do not exist treaties of military alliance between us and these powers; would it not be well for Parliament to have some explanations on this point?" *Temps*, December 5, 1928. (Translation ours.)

86. Cf. statement made by M. Cachin, December 4, 1928, in the Chamber of Deputies: "Thus, then, the Russian Bolsheviks who desire nothing but peace and who wish to profit by peace in order to construct in tranquility, know well that same day they will be attacked. It is the duty of the Communist Party to show to the proletariat that Europe has nothing but thoughts of aggression against it." M. Briand answered: "The Soviet Government would never dare to support such a thesis in the face of the French Government." *Temps*, December 5, 1928. (Translation ours.) For the work of the Russian Delegation at the Preparatory Commission on Disarmament, cf. F. P. A. *Information Service*, No. 19, Vol. IV, November 23, 1928. "The Disarmament Deadlock."

84. League of Nations, *The World Economic Conference, Geneva, May 1927, Final Report*. C. E. I. 44 (1) Geneva, 1927, p. 49.

ing States.”⁸⁷ With this aim in view, the Soviet Government invited the Polish Government on December 29, 1928 to sign a protocol

“according to which the Paris Pact for the renouncement of war would enter into force between the Soviet Union and Poland immediately after its ratification by those two States, regardless of the conditions provided for in Article 3 of the Pact. By signing the aforesaid Protocol the Polish Government would, of course, assume the moral obligation of speedily effecting, in the regular manner, the simultaneous ratification both of the Paris Pact and of the Protocol itself.”⁸⁸

The Soviet Government pointed out that the invitation to sign this protocol in no way affected the proposal for a non-aggression pact which it had submitted to the Polish Government at an earlier date, “and whose conclusion would further contribute to a still greater consolidation of the good-neighborly relations between the U.S.S.R. and the Polish Republic.” It informed the Polish Government that an analogous proposal was being made simultaneously to the Lithuanian Government, “as the only Baltic country which has already adhered to the Paris Pact.” Finland, Estonia and Latvia were not approached “only for the reason that those States have not yet formally adhered to the Paris Pact. The Soviet Government reserves for itself, however, the right to apply to them after they have adhered to the Paris Pact.”⁸⁹

The Polish Government, in a note dated January 10, 1928, expressed its willingness to accept the Soviet Government’s proposal “in principle.” It stated, however, that the

provisions of Article 3 of the pact made it necessary for Poland to obtain the opinion of the other signatories with regard to the regional application of the pact prior to ratification by all the parties. It expressed surprise at the fact that the Soviet Government had approached Lithuania, which has refused to establish diplomatic relations with Poland, and had failed to approach Finland, Estonia, Latvia or Rumania, all of which “had declared in one form or another their readiness to adhere to the pact.” Finally, it took the position that the problem of security in Eastern Europe should be examined by all the interested parties together, and stated that it considered itself under obligation to ascertain directly the views of the States of Eastern Europe regarding the Soviet Government’s proposal.⁹⁰

After several weeks of proposals and counter-proposals, in the course of which the Soviet press accused the Polish Government of procrastination and evasiveness, a protocol supplementing the pact was signed in Moscow on February 9 by the Soviet Government, Poland, Rumania, Latvia and Estonia.⁹¹ It has been officially stated in Bucharest that the Soviet Government has agreed, in compliance with the joint request of Poland and Rumania, to make the protocol include non-recourse to armed methods in the settlement of disputes such as that which has been pending between the U.S.S.R. and Rumania regarding the possession of Bessarabia.⁹² At the time of signature M. Litvinov referred to the protocol as the “latest link in a long chain of Soviet efforts toward disarmament and peace.”

Bibliography will be included in Part II of this report.

87. M. Litvinov to the Polish Minister in Moscow, December 29, 1928. Release of the Soviet Union Information Bureau, Washington, D. C., January 4, 1929. Cf. M. Litvinov to M. Herbet, French Ambassador in Moscow, August 31, 1928. State Department Release, October 4, 1928.

88. The provision in Article 3 here referred to reads as follows: “The present Treaty shall be ratified by the High Contracting Parties named in the Preamble in accordance with their respective constitutional requirements, and shall take effect as between them as soon as all their several instruments of ratification shall have been deposited at Washington.”

89. M. Litvinov to the Polish Minister in Moscow, December 29, 1928, cited.

90. The Polish Chargé d’Affaires in Moscow to M. Litvinov, January 10, 1929. *Izvestia*, January 12, 1929. (Translation ours.)

91. *New York Times*, February 10, 1929.

92. *New York Times*, February 6, 1929; *Christian Science Monitor*, February 6, 1929. It must be noted that Rumania has not yet recognized the Soviet Government.